

GOVERNMENT OF ANDHRA PRADESH

A B S T R A C T

Public Services – Sri Ch.Subrahmanyam, former District Panchayat Officer, Krishna District now Gazetted Instructor (Panchayats), E.T.C., Bapatla, Guntur District (under suspension) – Departmental Proceedings under Rule 20 of A.P.Civil Services (Classification, Control and Appeal) Rules, 1991 – Article of charges – Issued.

PANCHAYAT RAJ & RURAL DEVELOPMENT (Vig.IV) DEPARTMENT

G.O.Rt.No. 1114

Dated:- 03-08-2009.

Read the following:-

1. From the District Collector, Krishna Lr.Roc.No: 2145/09/Pts.5, Dt:- 29-07-2009.
2. Preliminary enquiry report of the Additional Commissioner/Chief Accounts Officer, Dated:- 29-07-2009.

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ORDER:-

It is proposed to hold an enquiry against Sri Ch.Subrahmanyam, former District Panchayat Officer, now Gazetted Instructor (Panchayats), E.T.C., Bapatla (under suspension) in accordance with the procedure laid down in Rule-20 of A.P.Civil Services (Classification, Control and Appeal) Rules, 1991.

2. The substance of the imputations of misconduct or misbehavior in respect of which the inquiry is proposed to be held is set out in the enclosed statement of articles of charges (Annexure-I). A list of documents by which, and a list of witnesses by whom, the articles of charges proposed to be sustained are also enclosed (Annexure-II to III).

3. Sri Ch.Subrahmanyam, former District Panchayat Officer, now Gazetted Instructor (Panchayats), E.T.C., Bapatla (under suspension) is directed to submit, within 10 days, from the date of receipt of this order, a written statement of his defence.

4. Sri Ch.Subrahmanyam, former District Panchayat Officer, now Gazetted Instructor (Panchayats), E.T.C., Bapatla (under suspension) is informed that an inquiry will be held only in respect of those articles of charges as are not admitted. He should, therefore, specifically admit or deny each article of charge.

5. Sri Ch.Subrahmanyam, former District Panchayat Officer, now Gazetted Instructor (Panchayats), E.T.C., Bapatla (under suspension) is further informed that if he does not submit his written statement of defence on or before the date specified in para 3 above further action will be processed based on the material available.

6. Attention of Sri Ch.Subrahmanyam, former District Panchayat Officer, now Gazetted Instructor (Panchayats), E.T.C., Bapatla (under suspension) is invited to Rule 24 of the Andhra Pradesh Civil Services (conduct) Rules, 1964, under which no Government Servant shall bring or attempt to bring any political or outside influence to bear upon any superior authority to further his interest in respect of matters pertaining to his service under the Government. If any representation

P.T.O.

is received on his behalf from another person in respect of any matter dealt within these proceedings it will be presumed that Sri Ch.Subrahmanyam, former District Panchayat Officer, now Gazetted Instructor (Panchayats), E.T.C., Bapatla (under suspension) is aware of such a representation and that it has been made at his instance and action will be taken against him for violation of Rule-24 of the Andhra Pradesh Civil Services (Conduct) Rules, 1964.

7. The receipt of this order be acknowledged.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**M.V.P.C.SASTRY
PRINCIPAL SECRETARY TO GOVERNMENT**

To

Sri Ch.Subrahmanyam, former District Panchayat Officer, now Gazetted Instructor (Panchayats), E.T.C., Bapatla (under suspension) (Through Dist., Collector, Guntur/Principal, E.T.C., Bapatla)

Copy to:- The District Collector, Guntur / The Dist., Collector, Krishna.

The Commissioner of PR&RE., Hyd.

Sf/Sc.

//Forwarded : By Order//

SECTION OFFICER

ANNEXURE - I

Statement of Articles of charge framed against Sri Ch.Subrahmanyam, former Dist., Panchayat Officer, now Gazetted Instructor (Pts.) E.T.C., Bapatla (under suspension).

Charge No.1:-

That Sri Ch.Subrahmanyam, former Dist., Panchayat Officer, now Gazetted Instructor (Pts.) E.T.C., Bapatla (under suspension) misappropriated an amount of Rs. 1,30,85,068/- relating to sand seignorage while working as D.P.O., Krishna Dist., Machilipatnam. Thus he had deliberately violated the conduct Rule 3 of A.P.C.S.(Conducts) Rules, 1964.

Basis of charge:-

Sri Ch.Subrahmanyam, worked as Dist., Panchayat Officer, Krishna, Machilipatnam w.e.f. 25-02-09 to 17-07-2009. The connected bank accounts from which the funds were withdrawn irregularly by giving U.O.notes to the Administrative Officer as well as to the concerned Assistant were verified w.r.t. the statement given by the concerned Bank Managers.

It is found that the following amounts were kept with the DPO., Krishna because of pendency of court cases:

- | | | |
|----|-------------------------|---------------------|
| 1) | Nimagadda sand reach | - Rs. 9,46,000/- |
| 2) | Bobbarlanka sand reach | - Rs. 9,80,000/- |
| 3) | Pedapulipaka sand reach | - Rs. 43, 70,000/- |
| 4) | Mulapadu sand reach | - Rs. 1,26,00,000/- |

The irregular withdrawal made by Sri Ch.Subrahmanyam in the capacity of Dist., Panchayat Officer, Krishna, Machilipatnam are as follows:-

1) Nimmagadda Sand Reach of Challapalli Mandal:

The reach was auctioned for Rs. 38,00,000/- and the sale was confirmed to the highest bidder. The highest bidder has paid 25% of the bid amount i.e., Rs. 9,46,000/- and the Hon'ble High Court has issued stay orders in WP MP No: 3192/06 in WP No: 24937/06 dt:- 1-12-2006 not to proceed with the leasing of the sand reach. Hence the amount was deposited in Andhra Bank, ZP Branch, Machilipatnam in A/c No: ABSF 2005 0003 which was opened on 2-11-2005. There is no misappropriation or mis-utilisation till the assumption of charge by Sri Ch. Subramanyam on 25-2-2009.

2) Bobbarlanka sand reach of Mopidevi Mandal:

The reach was auctioned for Rs. 31,00,500/- and the sale was confirmed to the highest bidder. The highest bidder paid an amount of Rs. 9,80,000/- within the time stipulated and the Hon'ble High Court issued stay orders in WP MP No: 3192/06 in WP No: 24937/2006, dt:- 1-12-2006 not to proceed with the leasing of the sand reach and hence the amount was deposited in Andhra Bank ZP Branch, Machilipatnam in A/c No: ABSF 2005 0003 which was opened on 2-11-2005. There is no misappropriation or mis-utilisation till the assumption of charge by Sri Ch. Subramanyam on 25-2-2009.

The DPO., has instructed the Administrative Officer through U.O.note to prepare a cheque for total Rs. 19,26,000/- from Andhra Bank. Accordingly the Administrative Officer has prepared a cheque for Rs. 19,26,000/- requesting to issue the D.D., But contrary to this, Sri Ch. Subramanyam, DPO., obtained three D.Ds worth Rs. 9,00,000/- , Rs. 9,00,000/- and Rs. 1,26,000/- and opened a new account with Syndicate Bank, Machilipatnam with the said D.D. without obtaining any orders from the Sand Auction Committee and drawn the amounts as shown below:-.

Date of Withdrawal	Amount withdrawn	Nature of withdrawal	Balance available
30-03-2009	Opened Account with 3 DDs		19,26,000-00
06-04-2009	25,000-00	Self	19,01,000-00
13-04-2009	25,000-00	Self	18,76,000-00
16-04-2009	30,000-00	Self	18,46,000-00
17-07-2009	8,00,000-00	Self	10,46,000-00
21-07-2009	5,00,000-00	Self	5,46,000-00

It is pertinent to mention here that he had withdrawn Rs. 5,00,000/- on 21-7-2009 i.e., after his relief as DPO., on the A.N., of 17-7-2009

As such an amount of Rs. 13,80,000/- was withdrawn by Sri Ch. Subramanyam, DPO., without any official record and thereby misappropriated for his personal ends.

3) Pedapulipaka Sand reach of Penamaluru Mandal:

The District Level Sand Committee has decided to conduct the public auction on the lease amount enhancing the 15% of the last bid amount. The highest bidder has paid the entire lease amount of Rs. 43,70,000/- and the work orders were also issued. The Hon'ble High Court has issued stay orders not to allow the lessee for the transportation of sand until further orders for want of ground water level report and arrangement of Ramps. Hence the amount was deposited with ING Vysya Bank in ongoing account No. 38601007730 which was opened on 1-8-2003. There is no misappropriation or mis-utilisation till the assumption of charge by Sri Ch.Subrahmanaym on 25-02-2009.

The DPO., has obtained a D.D., for Rs. 43,70,000/- from ING Vysaya Bank and opened a new account with Axis Bank, Machilipatnam with the DD obtained from ING Vysya Bank and the same was withdrawn from 31-3-2009 to 10-7-2009 in regular intervals as shown below:-

Date of Withdrawal	Amount withdrawn	Amount deposited	Nature of withdrawal	Balance available
31-03-2009	Opening account			43,70,000-00
31-03-2009	50,000-00		Self	43,20,000-00
06-04-2009	25,000-00		Self	42,95,000-00
13-04-2009	35,000-00		Self	42,60,000-00
25-04-2009	80,000-00		Self	41,80,000-00

11-05-2009	80,000-00		Self	41,00,000-00
12-05-2009	2,25,000-00		Self	38,75,000-00
13-05-2009	2,25,000-00		Self	36,50,000-00
19-05-2009	1,50,000-00		Self	35,00,000-00
30-05-2009	2,00,000-00		Self	33,00,000-00
01-06-2009	3,00,000-00		Self	30,00,000-00
06-06-2009	-	85,000-00	-	30,85,000-00
25-06-2009	3,00,000-00	-	Self	25,85,000-00
30-06-2009	-	29,940-00	-	28,14,940-00
10-07-2009	28,14,940-00		Self	00

The account was closed on 10-7-2009. The drawals were made directly by Sri Ch. Subramanayam without the knowledge of the office and thereby misappropriated for his personal ends. The pay order for Rs. 28,14,940/- was deposited with Indian Bank, Governorpet Branch, Vijayawada. Hence the total amount drawn and misappropriated for his personal ends is Rs. 15,55,070/-.

4) **Mulapadu Sand reach of Ibrahimpattanam Mandal:**

The reach was auctioned for Rs. 1,26,00,000/- and the highest bidder has paid the entire bid amount and the work order was also issued for the transportation of sand. The Hon'ble High Court has issued interim orders not to allow the lessee to lift the sand from the reach for want of ground water level report and arrangement of rams. Hence the amount was deposited with Indian Bank, Governorpet Branch, Vijayawada in ongoing account No., which was opened on 29-08-2003. There is no misappropriation or mis-utilisation till the assumption of charge by Sri Ch. Subrahmanayam on 25-02-2009.

That Sri Ch. Subramanayam, DPO has taken over the connected record i.e., pass book, cheque book, cash book of the bank account by issuing an U.O. note with proper acknowledgment with the concerned Jr., Asst., and drawn the amounts from the Indian Bank, Governorpet Branch, Vijayawada through cheques. An amount of Rs. 1,55,03,766/- was available with the account as on 30-3-2009 at the time of handing over the cheque book, pass book, cash book by the concerned assistant. Sri Ch. Subramanyam, DPo started withdrawals from 31-3-2009 and continued upto 17-7-2009. On 22-7-2009, he tried to withdraw an amount of Rs. 5,00,000/- through a bogus person named Sri Ch. Venkateswarlu impersonating as Attender, O/o the DPO., Krishna. But failed as the present DPO., has ordered for stoppage of cheque presented for withdrawal when the matter was reported by the Bank Manager concerned over phone. Thus, he has withdrawn and mis- appropriated a total amount of Rs. 1,01,49,998/- for his personal ends from the said account as shown below:

Date of Withdrawal	Amount withdrawn	Amount deposited	Nature of withdrawal	Balance available
Balance available as on 31-01-09				1,55,03,766-00
31-03-2009	9,95,000-00		Ch.Sanjeev Kumar	1,45,08,766-00
31-03-2009	9,90,000-00		Ch.Sanjeev Kumar	1,35,18,766-00
31-03-2009	9,95,000-00		T.Subrahmanyam	1,25,23,766-00
31-03-2009	9,90,000-00		T.Subrahmanayam	1,15,33,766-00
31-03-2009	9,95,000-00		B.Rama Krishna	1,05,38,766-00
31-03-2009	9,85,000-00		B.Rama Krishna	95,53,766-00
17-07-2009	42,00,000-00		Self	53,53,766-00
22-07-2009	5,00,000-00		Self	48,53,766-00
22-07-2009		5,00,000-00		53,53,766-00

The Admn. Officer has prepared a cheque for Rs. 1,26,00,000/- from Indian Bank, Governorpet Branch, Vijayawada on requesting to issue DD in favour of DPO., Krishna. The cheque was neither presented in the Indian Bank, to obtain the DD., nor returned the cheque to the office. At present, the balance available in the said account is Rs. 53,53,766/- only and hence there is no scope to present the cheque. However, the concerned bank manager is directed not to honour the said cheque if it is presented.

Regarding the maintenance of cash book of accounts operated in connected banks, it is noticed as follows:-

- Indian Bank, Governorpet Branch, Vijayawada: Cash book, pass book and cheque book against this account are not produced by the office during enquiry and it was informed the above are available with Sri Ch.Subrahmanyam, former DPO., Krishna Machilipatnam, The staff of O/o the DPO., Krishna produced the ack., given by the DPO., to that effect.
- Andhra Bank, Machilipatnam: Cash book, cheque book and pass book are maintained and available with the office. The balance as on 25-7-2009 as per the bank statement is Rs. 34,60,288/-
- INV Vysya Bank, Machilipatnam: Cash book, pass book and cheque book are available in the office and the balance as on 1-4-2009 is Rs. 20,77,374/-.

The following amounts were misappropriated by Sri Ch.Subrahmanyam for his personal ends:-

Sl.No.	Bank from which irregularly withdrawn	Amount irregularly withdrawn
1.	Andhra Bank, Z.P., Branch, MTM (Syndicate Bank)	13,80,000-00
2.	ING Vysya Bank, MTM (Axis Bank)	15,55,070-00
3.	Indian Bank, Governorpet, Vijayawada	1,01,49,998-00
	Total:-	1,30,85,068-00

An account was opened with the Syndicate Bank, Machilipatnam, through the funds drawn from Andhra bank, ZP Branch, Machilipatnam and an account was opened with Axis Bank, Machilipatnam through the funds drawn from ING Vysya Bank, and both accounts were operated by Sri Ch.Subramanahyam, DPO., alone without knowledge of either the O/o the DPO., Krishna or the Collector which is a grave irregularity.

Charge – II:-

That Sri Ch.Subrahmanyam, District Panchayat Officer, Krishna and holding Full Additional Charge for the post of Chief Executive Officer, and Dy. Chief Executive Officer, during full additional charge period had transferred the Government funds to a private bank in violation of Govt., rules. Thus he had deliberately violated the conduct Rule 3 of APCS(Conduct) Rules, 1964.

Basis of the Charge:-

1. In the cash book of general funds of Krishna Zilla Praja Parishad General Fund against voucher No: 162, dt:- 11-05-2009, an amount of Rs. 1,59,56,531/- against Cheque No: 000580 of SBI, MTM., was transferred to Axis Bank, Machilipatnam towards transfer of sand seigniorage amount for the Gram Panchayats for the year 2008-2009.
2. The transfer of the above mentioned amount to Axis Bank, Machilipatnam., is highly irregular. Since the normal establishment practice is to transfer the funds to the respective Gram Panchayats by raising Demand Drafts from the General Funds itself against the respective share of the Gram Panchayats.
3. There are no orders of the Zilla Praja Parishad to open such bank account in the name of Deputy Chief Executive Officer for such transfers. Thus, it is evident that the Dy.CEO., and CEO., (FAC) Sri Ch.Subrahmanyam has acted with malafide intentions and against the established practices/procedures as stated above.
4. As seen from the statement of Axis Bank Ltd., Machilipatnam, Cheques were also issued in between 20-07-2009 to 21-07-2009 to Sarpanches while the DyCEO., (FAC) got relieved himself on the Afternoon of 17-07-2009.
5. That the Axis Bank, Machilipatnam passbooks and cheque books were retained by him and were handed over to the section only after his relief which is not only irregular but also speaks his malafide intentions. The statements obtained from the Section Superintendent and Senior Assistants i.e., Sri D.Krishna Murthy, Supdt., and Sri Sk.Attavullah, Sr., Asst., Sri M.L.Sudarshana Rao, Sr., Asst., amply reflects how the former Full Additional Charge Dy.Chief Executive Officer/ Chief Executive Officer coerced the staff, and opened an account in the Axis Bank Ltd., Machilipatnam in the name of Dy.Chief Executive Officer, Zilla Praja Parishad, Krishna, Machilipatnam.

M.V.P.C.SASTRY
PRINCIPAL SECRETARY TO GOVERNMENT

SECTION OFFICER

ANNEXURE - II

LIST OF DOCUMENTS BY WHICH THE ARTICLES OF CHARGE FRAMED AGAINST SRI CH. SUBRAHMANYAM, FORMER DISTRICT PANCHAYAT OFFICER NOW GAZETTED INSTRUCTOR (PANCHAYATS), E.T.C., BAPATLA (UNDER SUSPENSION) ARE PROPOSED TO BE SUSTAINED.

1. Report of the District Collector, Krishna Lr.Roc.No:2145/2009/Pts.5, dt:- 29-07-2009.
2. Preliminary enquiry report of the Additional Commissioner/Chief Accounts Officer, dt:- 29-07-2009.

**M.V.P.C.SASTRY
PRINCIPAL SECRETARY TO GOVERNMENT**

SECTION OFFICER

ANNEXURE - III

LIST OF DOCUMENTS BY WHICH THE ARTICLE OF CHARGE FRAMED AGAINST SRI CH. SUBRAHMANYAM FORMER DISTRICT PANCHAYAT OFFICER NOW GAZETTED INSTRUCTOR (PANCHAYATS), E.T.C., BAPATLA (UNDER SUSPENSION) ARE PROPOSED TO BE SUSTAINED.

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**M.V.P.C.SASTRY
PRINCIPAL SECRETARY TO GOVERNMENT**

SECTION OFFICER